

U.S. to Cut Guatemala's Debt for Not Cutting Trees

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Published: October 2, 2006

MEXICO CITY, Oct. 1 — The United States government has joined with two environmental groups in a debt-for-nature swap, which will forgive about 20 percent of [Guatemala's](#) \$108 million in foreign debt to Washington in an effort to help threatened tropical forests there, American and conservation officials said late last week.

The New York Times

Environmental groups are helping to preserve forests in Guatemala.



In a deal to be announced Monday in Guatemala City, the government of Guatemala has agreed, in exchange for the debt forgiveness, to invest \$24.4 million over the next 15 years in conservation work in four nature regions.

This is the largest amount of debt that has been forgiven by the United States under the Tropical Forest Conservation Act, which was enacted in 1998. So far, 10 countries, from the Philippines to Peru, have had part of their debt forgiven in exchange for forest protection efforts.

“You can’t just come in as the U.S. and say it’s important to protect those forests,” Claudia A. McMurray, assistant secretary of state for oceans, environment and science, said in an interview. “You have to give these countries alternatives.”

In the latest deal, the United States government contributed about \$15 million toward the cancellation of Guatemala’s debt, said Clay Lowery, assistant secretary of the Treasury for international affairs. The groups Conservation International and the [Nature Conservancy](#) each contributed an additional \$1 million. Those funds, and the interest they will generate, will be enough to erase more than \$20 million in debt and interest, officials said.

“This is a huge deal for Guatemala,” John Beavers, who helped to negotiate the deal for the Nature Conservancy, said in a telephone interview from Guatemala City. “We hope it helps to drive the conservation area in Guatemala.”

The country has struggled in recent years to control illegal logging and drug trafficking in its natural areas. Soldiers are deployed in some areas to stem the destruction.

There is also a legal threat to Guatemala's parks. A business confederation has filed a suit contending that the law establishing the protected areas is unconstitutional, because it did not receive a two-thirds majority when the legislature approved it almost 20 years ago.

The bulk of the money generated by the debt forgiveness will go to private organizations working to preserve the country's nature areas. A \$4.9 million conservation trust fund will also be set up to generate interest income for future grants.

The money will be spent in four of Guatemala's premier reserves, which include tropical and subtropical forests and coastal mangrove areas. The areas are home to many rare and endangered species.

"The areas protected in this agreement lie in the heart of Mayan civilization, and they are home to jaguars, scarlet macaws, harpy eagles and countless other species," Steven J. McCormick, president of the Nature Conservancy, said in a statement.

The protected areas are the Cuchumatanes region, the Maya Biosphere Reserve, the Motagua/Polochic System and the Western Highlands volcanic chain.

To qualify for the program, Guatemala had to meet a series of political and economic criteria. Eligible countries must have democratically elected governments and a suitable economic reform program in place, and they must cooperate with the United States on drug enforcement and counterterrorism efforts.

An agreement under the program with Belize set aside 23,000 acres of new forest preserves and has helped to manage an additional 270,000 acres. One of two deals in Panama helped preserve the Chagres River Basin, which is a major source of water for the Panama Canal.